

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Cooperation Department – Cooperative Urban Banks– The Vasavi Cooperative Urban Bank Limited, Hyderabad - Extension of the term of the existing Person-in-Charge Committee for a period one year with effect from 20-08-2012- Orders-Issued.

AGRICULTURE & COOPERATION (COOP. III) DEPARTMENT

G.O.Rt.No. 1014

Dated.11.09.2012

Read the following:-

1. G.O.Rt.No. 384, Agri. & Coop.(Coop.III) Deptt Dt. 11-04-2012.
2. From the Commissioner for Cooperation and Registrar of Cooperative Societies, A.P. ,Hyd., Lr.Rc.No. 38629/2000/UT-3, dt. 16-08-2012.

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ORDER:-

In the reference 1st read above orders were issued extending the term of Person-in-Charge committee of the Vasavi Cooperative Urban Bank Limited, Hyderabad, for a period of one year from 20-08-2011.

2. In the reference 2nd read above the Commissioner for Cooperation and Registrar of Cooperative Societies, Andhra Pradesh, Hyderabad, submitted proposals for extension of term of Person-In-Charge Committee with effect from 20-08-2012 mentioning the following reasons.

3. The RBI modified its earlier directions in the public interest in exercise of powers U/s 35-A of BR Act, based on the Reconstruction scheme notified by the Government of A.P on 29-01-2008. As per the said modified directions, the Govt., reconstituted the PIC committee comprising of 5 member-2 nominees from institutional depositors (Visakhapatnam and Bhimavaram Coop. Urban Banks), 2 nominees of the individual depositors and a Professional Chairman who will chair the PIC and whole time Professional CEO to assist Person-in-Charge and having experience in the Banking industry.

4. The Commissioner for Cooperation and Registrar of Cooperative Societies Andhra Pradesh, Hyderabad, submitted the performance of the present PIC Committee, which has taken action for the improvement of the financial position of the bank from the date of assuming the charge as PIC as follows:

- The Reconstruction Scheme successfully implemented by the Committee which was sanctioned to the bank vide GO Rt.No.117, dated 29-01-2008. On implementing the Scheme Bank had paid so far an amount of Rs. 33.45 Crores to the Depositors and Institutions as on 31-03-2012 and issued Restructured deposits of Rs.28.67 crores depositors are going for a period of (5) years.
- These deposits are going to mature from March, 2013
- Committee has made necessary arrangements for meeting the upcoming payments of Rs.28.67 crores to the depositors during March,2013
- CRR & SLR requirement had been complied with as prescribed by RBI since implementation of the scheme i.e from April, 2008 onwards
- CRAR improved from (-)28.01% as on 31-03-2008 to (+) 9.40% as on 31-03-2012
- Net worth was (-) 5.46 crores as on 31-03-2008, now increased to (+) 1.07 crores as on 31.03.2012
- Fresh Deposits increased by Rs.3.55 crore as on 31-03-2012
- Savings Deposits increased by Rs.1.23 crores

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- Bank fresh Advances touched a mark of Rs.16.29 crores
- Net NPA has become nil
- Gross NPAs reduced from Rs.32.26 crores to Rs.23.40 crores (percentage wise reduced from 94.74% to 57.71%)
- Recovered a sum of Rs.25.64 crores from advances/borrowers for a period of 4 years from 1-04-2008 to 31-03-2012

The TAFCUB (Taskforce committee on Urban Banks, comprising of official of Reserve Bank of India, Government., RCS and representatives of Association of UCBs) in the meeting held on 18-10-2010 and 28-4-2011 resolved to request the Government to extend the term of PIC as there is every likelihood of proxies entering into the picture, if the elections are conducted and the possibilities of the earlier Board of directors or their henchmen's re-entry into the affairs of the Bank can not be ruled out. Further revival of 6 other CUBs particularly Chittoor and Bhimavaram Coop. Urban Banks and other credit societies in the State depends mainly on the revival of Vasavi Coop. Urban Bank as any problem to Vasavi Cooperative Urban Bank may result in systematic problem leading to fall of CUBs one after another.

Government after careful examination of the matter by invoking power conferred under Section 123 of the Andhra Pradesh Cooperative Societies Act hereby exempt the Vasavi Cooperative Urban Bank Ltd., Hyderabad from the provisions of Sections 32(7) (a)(ii) of APCS Act prescribing upper limit of 6 years in aggregate of PIC and extend the term of present PIC Committee for a further period of 1 year with effect from 20-08-2012 or till holding of elections, whichever is earlier, in the best interest of the revival of the Vasavi Cooperative Urban Bank Ltd.

The Commissioner for Cooperation and Registrar of Cooperative Societies, Andhra Pradesh, Hyderabad, shall take further necessary action accordingly..

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

I.Y.R.KRISHNA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner for Cooperation and Registrar of Cooperative Societies,
A.P. Hyderabad
The District Cooperative Officer, Hyderabad (urban) through the Commissioner for
Cooperation and Registrar of Cooperative Societies, A.P. Hyderabad
The Chief General Manager , CUB Division, Reserve Bank of India, Saifabad,
Hyderabad

Copy to:

P.S. to Minister (Cooperation)
P.S. to Spl.Chief Secretary to Government (AM & Cooperation)
SF/SC.

//FORWARDED :: BY :: ORDER//

SECTION OFFICER